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October 14, 2024

Form ADV Part 2 Brochure

This Brochure (the "Brochure") provides information about the qualifications and business practices of Markle Financial LLC ("Markle," "MFL," the "Adviser," the "Firm," "we," "us" or "our"). If you have any questions about the contents of this Brochure, please contact us at (307) 721-1725. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about Markle also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Markle is 302088.

Markle is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its Clients.

Item 2 Material Changes

This Brochure contains updated information about Markle Financial LLC's ("MFL") business since the last annual updating amendment. This section of the Brochure will address only those "material changes" that have been incorporated since the last delivery of this document on the SEC's public disclosure website (IAPD).

Since the filing of our last amendment dated March 23, 2023, we have the following material changes to disclose.

We are affiliated with Vertera, LLC ("Vertera or the Fund"), through common control and ownership. The LLC has been formed for the purpose of purchasing a limited partnership ownership interest in WYO VC II LP, a private real estate fund. Shannon Markle is the Manager of Vertera. As Manager of the fund, Mr. Markle can and be paid for general operating expenses, receive a fee as stated in the operating agreement.

Markle Financial is the investment advisor to the Fund for which they will receive advisory fees as stated in the PPM.

Mr. Markle is the sole owner of Markle Financial and will, therefore, receive a financial benefit from retaining Markle Financial to manage Vertera. As a result, Mr. Markle has an interest in retaining Markle Financial as the investment of Vertera. In addition, Mr. Markle may have a conflict of interest in evaluating whether Markle Financial is adequately performing its services or in enforcing its contractual rights with respect to Markle Financial.

Clients of Markle Financial may be solicited to invest in the Fund. Investments in the Fund assets will not be included with other assets for the purpose of tiered billing.

This practice presents a conflict of interest because persons providing investment advice on behalf of Markle Financial have an incentive to recommend Vertera Fund based on incentives received rather than solely based on your needs.

Mr. Markle is an independent contractor to WYO VC LLC ("the Company") and can receive compensation based on the profits as a result of his advisory contributions.

Additional information about Markle is also available via the SEC's web site www.adviserinfo.sec.gov. The searchable IARD/CRD number for Markle is 302088. The SEC's web site also provides information about any persons affiliated with Markle who are registered, or are required to be registered, as investment adviser representatives of Markle.

IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE

This Disclosure Brochure is not:

- *an offer or agreement to provide advisory services to any person*
- *an offer to sell nor a solicitation of any offer to purchase any security*
- *an offer to sell interests or shares (or a solicitation of an offer to purchase interests or shares) in any pooled investment vehicle managed or represented by Markle Financial LLC or any of its affiliates*
- *a complete discussion of the features, risks or conflicts associated with any security*

As required by the Investment Advisers Act of 1940, as amended ("the "Advisers Act"), Markle Financial LLC provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective investors or shareholders in a pooled investment

vehicle, together with other relevant governing documents, such as the pooled investment vehicle's prospectus and statement of additional information, private placement memoranda, limited partnership agreement or offering circular, prior to, or in connection with, such persons' investment in a pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of Markle Financial LLC, persons who receive this Brochure (whether or not from Markle Financial LLC) should be aware that it is designed solely to provide information about Markle Financial LLC as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each investment product is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Markle Financial LLC. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

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Item 4 Advisory Business

MFL is a Wyoming limited liability company that was formed in June 2015 for the purpose of providing discretionary and non-discretionary portfolio management and investment advisory services to individuals, high net-worth individuals, pension and profit-sharing plans ("Clients"). MFL is headquartered in Laramie, WY. Since May 24th, 2019, MFL has been registered with the SEC pursuant to the Advisers Act. Registration of an investment adviser does not imply any level of skill or training. MFL is primarily owned by Shannon Markle.

Advisory Services

MFL renders discretionary portfolio management, non-discretionary investment advisory and/or co-advisory services to a range of advisory Clients, principally high and non-high net worth individuals and sponsors of pension and profit-sharing plans. In most engagements MFL assumes responsibility for investing and re-investing the assets of each Client account in accordance with the investment objectives, policies and guidelines set forth in the Client's investment advisor contract with the Firm and other account documents. Services consist of directly managing Client portfolios, including but not limited to sourcing, selecting, and monitoring investments across a broad set of security asset classes including domestic and international equity, fixed income (corporate, state/municipal and/or U.S. Government and/or agency), real estate and alternative investments, either directly or by means of investing in such pooled investment products as mutual (open-end) or closed-end investment funds, exchange-traded funds, REITs, variable insurance products, privately offered hedge, private equity/debt, structured finance and other vehicles following alternative investment strategies. When MFL serves as investment adviser, it enters into a written investment advisor contract with each of its advisory Clients. Investment advisor contracts include provisions related to termination rights, proxy voting and sub-adviser arrangements, as applicable.

MFL tailors its investment advice to the specific needs of its Clients and works with Clients to formulate appropriate and agreed-upon investment objectives and guidelines. The Firm also follows any applicable investment restrictions as are set forth in Client investment advisor contracts and other account documents. Clients who restrict their investment portfolios may experience inferior performance results as compared with similarly situated portfolios held by Clients who have not imposed such restrictions. MFL reserves the right to decline or to terminate relationships with Clients that seek to impose restrictions which MFL finds difficult to abide by in striving to satisfy the overall investment objectives as initially approved by the Client.

To best facilitate a Client's exposure, as appropriate, to a range of investment strategies and/or asset classes, MFL may recommend that all or a portion of the Client's account assets be directed to one or more third-party investment advisers ("TPAs" or "advisers") for day-to-day active management, typically through SEI Private Trust ("SEI"). In some cases MFL will act in a co-advisory capacity. MFL will ensure that each TPA and their representatives are properly registered or licensed and currently in good standing with the requisite federal (ordinarily, the SEC), state or territorial regulatory body having jurisdiction regarding the TPA's business activities. MFL also subjects each TPA to a detailed initial selection and ongoing due diligence monitoring process including, in the latter respect, periodic reviews of the performance of Client TPA investment accounts.

Markle's authority varies depending upon the type of investment management services which the Firm is retained to render.

- *Discretionary Portfolio Management Services.* Generally, Markle accepts, but does not require, discretionary authority to manage securities accounts on behalf of its Clients. Except as otherwise set forth in the applicable Client investment advisor contract, our Clients authorize MFL to actively manage, on a discretionary basis, the funds, securities

and other assets held by one or more qualified custodians comprising their account assets with the Firm. MFL is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. The Client may, however, terminate MFL's discretionary authority immediately upon issuance of written notice to us.

- *Non-Discretionary Investment Management Services.* In these types of Client arrangements, MFL is authorized to execute purchases and sales of securities only after securing the Client's approval regarding each transaction.
- *Third-Party Adviser Arrangements.* Accounts for which placements with TPAs are contemplated are required to provide Markle with discretionary authority. The Client approves, with informed consent, Markle's selection of the TPA(s), the platform sponsor and custodian(s) to be used as transaction execution (if any) and other account administration fees and expenses associated with the arrangement. Markle, as co-adviser, and the TPA are granted authority to determine, without obtaining specific Client consent, the securities and the amount thereof to be bought or sold in the account or portions of the account which are subject to the arrangement.
- MFL may recommend American Funds advisory platform for certain client investments based on client suitability.
- *Cash Management.* MFL has entered into an agreement with a third party provider to facilitate a FDIC insured cash management solution for their clients. This program has a \$100,000 account minimum in order to participate. MFL will not charge an advisory fee for funds held in the cash management program, however MFL is compensated by the Cash Management program. Such compensation is disclosed within the account opening documents and is calculated as a fixed percentage of the interest earned in the client accounts.
- MFL has entered into investment advisory contracts with certain third-party investment advisory firms to act as day-to-day managers of all or a portion of the portfolios of MFL Client accounts. Clients may specify a third-party adviser for all or a portion of their assets. MFL will receive its standard fee in addition to the fee which the Client pays to the third-party adviser. This relationship will be memorialized in each contract between MFL and the third- party adviser. Currently, MFL may direct Clients to the following third-party investment advisers for management of all or a portion of their portfolios: SEI Private Wealth Management (CRD# 105146), (CRD# 158667), and The Pacific Financial Group Inc. (CRD# 105203).
- *ERISA 3(21) "Investment Manager Engagements.* Our authority and responsibility in these engagements is limited to performing analysis and providing recommendations with regard to the mutual funds included as investment options in self-directed employee retirement plans sponsored by Client employers. In this capacity, we provide, as an ERISA fiduciary, retirement plan sponsors with recommendations and monitoring of funds included on plan investment "menus", assisting the Client plan sponsor with making and retaining responsibility for these investment-related decisions.
- *Wrap Fee Programs.* MFL causes certain Clients to participate in wrap fee programs as a result of the use of TPAs. Such wrap fee programs are sponsored by third-parties.

A "wrap fee program" is a securities investment program where an investor pays one stated fee in consideration of the investment management, transaction execution and other account administration services which he/she will be receiving as a participant in the program. MFL causes some of its Clients to participate in wrap fee programs sponsored and advised by third-parties.

For more information concerning a specific wrap fee program, please review the appropriate Disclosure Brochure (Form ADV Part 2) and the Wrap Fee Disclosure Brochure for a complete description of the service, fee schedules, and account minimums for their wrap fee programs.

- *Financial Planning.* MFL offers financial planning and consulting services to both prospective and existing Clients. MFL will obtain pertinent information about you and use the information as a basis for our recommendations, which may include, but are not limited to topics such as insurance, tax planning and cash flow needs, retirement, investments, education needs, and estate planning. Such financial planning recommendations may be implemented, at your sole discretion, with the professional consultants of your choosing (including your broker, accountant, attorney, etc.). MFL and the Client will review all pertinent data and discuss the analysis required under the financial planning engagement.

Portfolio Management Services for Pooled Investment Vehicles

Our firm currently provides investment advisory services to a private investment fund. Our affiliate serves as the manager of the private investment fund. We base our advice to such private investment Funds on the investment objective and restrictions (if any) set forth in the applicable offering memorandum, organizational documents, investment management agreement, and/or subscription agreements, as the case may be (each and collectively, the "Governing Documents"). Such Funds are available for investment only by sophisticated, high-net-worth investors, who meet the eligibility requirements of the applicable fund set forth in its Governing Documents. The fund is exempt from registration as an investment company under the U.S. Investment Company Act, as amended (the "Investment Company Act"), under Section 3(c)(1) or 3(c)(7) thereof. The detailed terms, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents regarding the investment of client funds based on the individual needs of the client. Details of the guidelines, parameters and restrictions on investments relating to the Fund clients may be found in the applicable Fund's Private Placement Memorandum.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);

- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

The Firm maintains publications, newsletters and videos on its website. Information posted on that site is for general public information purposes only and does not constitute professional investment or other financial services advice.

Regulatory Assets Under Management

As of December 31, 2023, MFL managed approximately \$97.3 million of advisory Clients' assets, \$5.4 million of which was managed on a non-discretionary basis and \$91.8 million of which was managed on a discretionary basis.

The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management."

Regulatory assets under management are generally an adviser's gross aggregate Client assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities.

MFL reports its regulatory assets under management in Item 5 of Part 1 of Form ADV which you can find at www.adviserinfo.sec.gov.

Item 5 Fees and Compensation

MFL's fees may be negotiable depending on the services being provided and can vary from Client to Client based on a variety of factors, including but not limited to, the investment objective, mandate or strategy; investment asset classes and vehicles involved; degree of servicing required; overall Client account/relationship size; the custodial platform, prevailing market-place conditions and other factors MFL deems relevant.

The fees we charge for our advisory services differ depending on the custodian that holds your assets, therefore fees are typically disclosed in the custodial documents that are signed by the Client. If not disclosed on custodial documents, fees are disclosed in MFL's client agreement.

MFL does not have a minimum account size requirement, however, MFL does have a \$2,500.00 minimum flat advisory fee for the Firm's advisory services, which is subject to the investment advisor's discretion.

Client accounts managed on the SEI Private Trust Platform ("SEI") will pay additional fees charged by selected third party managers or from mutual funds or ETFs. Third party manager fees currently range between .18%-1.35%, which may be discounted by SEI based on the firm assets on their platform. Changes in the selection of third party managers may result in fees charged by third party managers to change. These fees can be greater or less than the fees initially charged. Advisor fees and manager fees are disclosed in the initial SEI Client proposal. SEI platform third party manager fees are charged on an average daily balance and billed quarterly in arrears. MFL fees are charged quarterly in arrears based on the value of the account at the end of the quarter.

For certain clients, where appropriate, we can recommend a 1035 exchange of their annuities. Annuities are billed based on an asset based fees as stated in the client contract.

Client accounts managed at TIAA are billed quarterly in arrears on the value of the account at the end of the quarter.

Assets held within each independent Custodian or Transfer Agent are aggregated for the purpose of tiered fee discounts. Assets held across multiple Custodians or Transfer Agents are not aggregated in total for purposes of additional tiered fee discounts."

Other custodians may bill fees on a different frequency. Fee frequency and calculation method is disclosed in the client new account opening documents.

Fees for the management of 401k plans are subject to negotiation, and will be stated, along with the frequency, and method of calculation in the contracts supplied by the plan record keeper.

As stated above, Clients will also bear additional fees and costs for services rendered by Client-approved TPAs, the asset management platform sponsors, and qualified custodians. These latter fees and costs are detailed further in TPA, platform sponsor and custodian contractual agreements and associated disclosure documents which the Client will be furnished at account opening.

MFL calculates fees for certain custodians, otherwise the fees are calculated by the custodian. Clients may terminate the Investment Advisory Contract at any time, upon written notice, subject to payment of prorated fees. Consulting and Financial Planning fees may be partially charged and collected in advance, subject to the Client's approval. Clients may terminate an executed agreement in writing, without penalty for a full refund of unearned fees, if any.

Wrap Fee Programs

MFL does not participate in or sponsor a wrap fee program but may, in certain instances, cause Clients to participate in such a wrap fee program through selected third party managers. Sponsor and advisers to a wrap fee program disclose wrap program fees at or prior to the initial investment in a wrap account. Please review the appropriate Disclosure Brochure and Wrap Fee Disclosure Brochure of the specific wrap fee program for more information.

Payment of Investment Advisory Fees

Asset-based advisory fees are ordinarily charged, in accordance with the Client written authorization, on a quarterly basis, directly from the Client's custodian account(s). Some MFL representatives provide asset allocation advice through solicitors, co-advisor, and sub-adviser programs of various unaffiliated third-party investment advisers based on your personal and financial goals, investment objectives, and risk tolerance. MFL enters into relationships with third party investment advisers that pass the MFL due diligence process. Third party investment advisers recommended by MFL, or a representative must be approved. There could be other third-party investment adviser programs suitable for you that are more or less costly.

A complete description of the third-party investment adviser's services, fee schedules and account minimums will be disclosed in the third-party investment adviser's Form ADV, Brochure and/or other written disclosure which will be provided to you at the time an agreement for services is executed. We strongly suggest that you review these materials to familiarize yourself with the third-party investment adviser chosen. MFL charges Clients who participate in these services a fee based on a percentage of the value of the Client's assets. Third party investment advisers' charge Clients a separate fee based upon services provided by the third-party investment adviser. The fee is separate from and may not

include custodial charges, transaction charges, contingent deferred sales charges on funds purchased prior to their participation in the account, mutual fund sales load, 12b-1 fees, surrender charges, or other costs imposed by third parties.

Other Fees and Expenses

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; and (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the Client's account invest) associated with products or services that may be necessary or incidental to such investments or accounts. Financial plans or Consulting Clients may incur fees with respect to such services, which may include, but are not limited to, custodial, securities lending, brokerage, banking, consulting or third-party advisory or legal services. Each Client may be required to establish business relationships with relevant service providers or other counterparties based on the Client's own credit standing. MFL will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on MFL's credit in evaluating the Client's creditworthiness.

Fees for Private fund(s) Managed by MFL

Markle Financial fee for consulting and operational support to the fund is not to exceed the annual rate of 1.59% of assets under management, payable quarterly in arrears based on the calendar quarter end valuation of the assets under management. Additional fund fees are those expenses the Manager incurred in forming the Company and undertaking the Offering that will be reimbursed by the Company out of the proceeds of the Offering. In addition, the Company may directly incur (or the Manager may incur and be reimbursed by the Company for) other general operating expenses, such as preparation of tax return related documents, entity maintenance, effecting Member transfers of Units, exiting the Fund investment and other expenses that may not be known or anticipated at this point in time. Per the operating agreement Mr. Markle may receive a 1% fee for the management of the offering. At this time Mr. Markle has determined to waive this fee. Clients of Markle Financial may be solicited to invest in the Fund. Investments in the Fund assets will not be included with other assets for the purpose of tiered billing. For clients of MFL that invest in the fund, fees charged to their investment portfolios may change as a result of the change in the amount of assets for the purpose of tiered fee discounts.

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 - Brokerage Practices of this Brochure*.

Consulting/Financial Planning

MFL consulting fees are charged an hourly rate of between \$75- \$265 an hour as outlined in the Scope of Work. Plans are based on an estimate of the number of hours to complete the plan and billed with a portion of the cost of a financial planning engagement up front as stated in the invoice. MFL employees will then track the hours they spend on the engagement, once the amount of the up-front cost is received, MFL will bill the Client periodically for services rendered under the consulting engagement until the project is complete. Financial planning fees may be charged as a fixed fee and typically do not exceed \$7,500.00. Financial planning fees are generally negotiable and may vary based upon the complexity of a project and the time it will take to complete. Fees are charged based on the schedule set forth in the proposal and agreed upon with the client.

Other Compensation

Neither MFL nor its supervised persons accept any compensation for the sale of investment products, including asset- based sales charges or service fees from the sale of mutual funds.

For an additional discussion of other compensation, please refer to *Item 14 - Client Referrals and Other Compensation of this Brochure*.

Item 6 Performance-Based Fees and Side-By-Side Management

MFL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client.

Item 7 Types of Clients

As discussed in *Item 4 - Advisory Business* of this Brochure, MFL currently provides investment management services, as an investment adviser, to individuals, high net worth individuals, pension and profit-sharing plans on a discretionary and non-discretionary basis. MFL's Clients may include, but are not limited to, financial institutions, registered investment companies, pension funds and other retirement accounts, corporations, banks and thrift institutions, and other institutional type accounts. There is no minimum asset size for any of MFL's services, however, at the discretion of the advisor, there is a minimum account annual advisor fee of \$2,500.

Item 8 Methods of Analysis, Investment Strategies, & Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear.

Investment Strategies

MFL offers several investment strategies to Clients and in doing so may invest in a wide range of securities and other financial instruments including: equity securities of domestic and foreign issuers (both publicly and privately traded); corporate debt securities of domestic and foreign issuers (both publicly and privately traded); MLPs; derivative securities, including but not limited to futures, options, swaps and forward contracts; warrants; commercial paper; foreign currency contracts; registered investment company securities, including exchange-traded funds ("ETFs"); and U.S. government securities. As financial markets and products evolve, MFL may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with Client guidelines, objectives, and policies. MFL generally invests for long-term growth of capital and income. Within that framework, Client objectives and unique circumstances may dictate that short-term positions be taken.

MFL's primary objective is to seek positive absolute returns over a time frame determined by the Client's investment goals and objectives. MFL takes into account the Client's risk capacity across all holdings without regard to account type, as well as their total investable net worth.

Methods of Analysis

MFL's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

- Charting analysis involves the use of patterns in performance charts. MFL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security. Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only

past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

- Fundamental analysis involves the review of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- Technical analysis involves the review of past market data, primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.
- Cyclical analysis involves the review of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two- fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.
- Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on. Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.
- Modern portfolio theory is an investment approach that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Modern Portfolio Theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile - i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

- Long term trading is designed to capture market return and risk. Due to its nature, the long-term investment strategy can expose Clients to various types of risk that will typically surface at various intervals during the time the Client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.
- Selection of Other Advisers: MFL's selection process cannot ensure that money managers will perform as desired and MFL will have no control over the day-to-day operations of any of its

selected money managers. MFL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

MFL maintains risk management policies and procedures in connection with its advisory and management services with respect to Client accounts. Such policies and procedures are discussed periodically and considered in connection with ongoing investment advisory trading activities. MFL considers a variety of risks that may affect Client accounts, including liquidity issues and counterparty risk, among others. Such risk assessment and management efforts will relate to equity related positions. The Chief Compliance Officer and the financial advisers work to identify these and other risks and monitor the materiality of these risks with respect to portfolios managed by MFL on a periodic basis as part of MFL's general compliance program.

The methods of analysis and investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment objective and strategies of each, please discuss with your advisor. Investing in securities involves risk of loss.

Certain Risk Factors

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. There can be no assurance that Clients will achieve their investment objectives or that investments will be successful or profitable. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuate due to market conditions and other factors. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that MFL's investment strategies and services are low risk or risk free. The investment decisions made, and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance. Investors and advisory Clients are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular Client account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which Client accounts may invest. The following risks may apply to strategies managed by MFL:

- Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.
- Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stocks and their price can fluctuate throughout the day. The returns on mutual funds and

ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

- **Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment. Markets may move in cycles, with periods of rising prices and periods of falling prices.
- **Equity Risk:** The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally or the energy sector. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, including the basic minerals sector, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which MFL believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, Clients may lose all or substantially all of their investments in any particular instance.
- **Fixed Income Securities:** MFL may invest Client assets in bonds or other fixed income securities of issuers including, without limitation, bonds, notes and debentures issued by corporations; debt securities and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which MFL invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's

inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

- Real estate funds (including REITs): REITS face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated will be forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.
- Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
- Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.
- General Economic and Market Conditions: The success of MFL's activities is affected by

general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, security operations.). These factors may affect the level and volatility of securities prices and the liquidity of Client investments. Volatility and/or illiquidity could impair a Client's profitability or result in losses. Clients could incur material losses even if MFL reacts quickly to difficult market or economic conditions, and there can be no assurance that Clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which MFL invest Client assets can correlate strongly with each other at times or in ways that are difficult for MFL to predict. Even a well- analyzed approach may not protect Clients from significant losses under certain market conditions.

Item 9 Disciplinary Information

This Item requests information relating to legal and disciplinary events in which MFL or any supervised persons, as defined by the Advisers Act, have been involved that are material to Client's or prospective Client's evaluations of MFL's advisory business or management. There are no reportable material legal or disciplinary events related to MFL or any of its supervised persons. In the ordinary course of MFL's business, MFL, its affiliates and employees have not in the past been subject to any formal or informal regulatory inquiries, subpoenas, investigations, legal or regulatory proceedings involving the SEC, or any other regulatory authorities, including private parties and self-regulatory organizations ("SRO").

Item 10 Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealers

MFL is not registered and does not have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Affiliated CPO and/or CTA

Neither MFL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Licensed Insurance Agents

Certain persons are independent licensed insurance agent, and from time to time, will offer Clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest. MFL always acts in the best interest of the Client, including the sale of commissionable products to advisory Clients. Clients are in no way required to utilize the services of any representative of MFL in connection with such individual's activities outside of MFL.

Relationship or Arrangements with Affiliates and/or Related Persons

We are affiliated with Vertera, LLC ("Vertera or the Fund") through common control and ownership. The Fund has been formed for the purpose of purchasing a limited partnership interests in venture capital funds and direct investments. Shannon Markle is the Manager of Vertera. As Manager of the fund, Mr. Markle can receive a management fee as stated in the operating agreement.

Markle Financial is the investment advisor to the Fund for which they will receive advisory fees as stated in the PPM.

As the majority owner of Markle Financial, Mr. Markle will receive a financial benefit from retaining Markle Financial to manage Vertera. As a result, Mr. Markle has an interest in retaining Markle Financial as the investment advisor to Vertera. In addition, Mr. Markle has a conflict of interest in evaluating whether Markle Financial is adequately performing its services or in enforcing its contractual rights with respect to the Fund.

Clients of Markle Financial may be solicited to invest in the Fund. Investments in the Fund assets will not be included with other assets for the purpose of tiered billing.

This practice presents a conflict of interest because persons providing investment advice on behalf of Markle Financial have an incentive to recommend Vertera based on incentives received rather than solely based on your needs.

Mr. Markle is an independent contractor to WYO VC LLC and can receive compensation based on the profits as a result of his advisory contributions. Vertera includes WYO VC funds as a possible investment selection.

Shannon Markle is the President of the Catalyst Land Group, a company that seeks to raise capital for use in developing a nontraditional 1031 exchange solutions provider. Certain members of Mr. Markle's family, as well as employees of Markle Financial, own collectively a majority of the outstanding voting common stock of the Company. Mr. Markle maintains the controlling stock and as a result will control who gets elected to the Board of Directors and, indirectly, the decisions made by the Board of Directors with respect to the business and operations of the Company. Markle Financials' qualified clients may be solicited to invest in Catalyst Land Group. This practice presents a conflict of interest because persons providing investment advice on behalf of Markle Financial have an incentive to recommend Catalyst Land Group based on incentives received rather than solely based on your needs.

Clients are under no obligation to invest in Vertera or Catalyst Land Group.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MFL maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its code of ethics. The code of ethics has been adopted by MFL in compliance with Section 204A of the Advisers Act. The code of ethics applies to each employee of MFL and any other "access person" as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of MFL's standard of business conduct.

A complete copy of MFL's code of ethics ("Code of Ethics") is available upon request to Clients or prospective Clients.

The Code of Ethics is based upon the premise that all MFL personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of MFL; (3) observe MFL's personal trading policies so as to avoid "front-running" and other conflicts of interests between MFL and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that

a record of all violations of the Code of Ethics will be maintained by MFL's Chief Compliance Officer, and (5) that personnel who violate the Code of Ethics are subject to sanctions by MFL, up to and including termination.

Standards of Conduct: MFL and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and MFL or Client.

Confidentiality: Employees must maintain the confidentiality of MFL's proprietary and confidential information and must not disclose that information unless the necessary approval is obtained. MFL has a particular duty and responsibility, as investment adviser or sub-adviser, to safeguard Client information. Information concerning the identity and transactions of Clients is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

Potential Conflicts

MFL does not recommend that Clients buy or sell any security in which a related person to MFL or MFL has a material financial interest. From time to time, representatives of MFL may buy or sell securities for themselves that they also recommend to Clients. This may provide an opportunity for representatives of MFL to buy or sell the same securities before or after recommending the same securities to Clients resulting in representatives profiting off the recommendations they provide to Clients. Such transactions may create a conflict of interest. MFL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the Client's disadvantage when similar securities are being bought or sold.

Item 12 Brokerage Practices

As a general rule, MFL receives discretionary investment authority from its Clients at the outset of an advisory relationship. In making decisions as to which securities are to be bought or sold and the amounts thereof, MFL is guided by the mandate selected by the Client and any Client-imposed guidelines or restrictions. Unless MFL and the Client have entered into a non-discretionary arrangement, MFL generally is not required to provide notice to, or consult with, or seek the consent of its Clients prior to engaging in transactions.

Brokerage Selection

We typically recommend the brokerage and custodial services of SEI. However, we will manage client assets at other custodians at our discretion. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Our selection of custodian is based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.

- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other

Custodians/broker-dealers will be recommended based on MFL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a Client on the most favorable terms for the Client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and MFL may also consider the market expertise and research access provided by the broker- dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in MFL's research efforts. MFL will never charge a premium or commission on transactions beyond the actual cost imposed by the broker- dealer/custodian.

We routinely require that transactions be executed through SEI Private Trust and TIAA. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

For non qualified variable annuities we may recommend Lincoln Financial Group to maintain the tax deferred status.

Soft Dollars

MFL has no formal soft dollars program in which soft dollars are used to pay for third party services.

Economic Benefits

As a registered investment adviser, our contract with your account custodian allows access to their institutional platform. As such, we have access to research products and services from your account custodian and/or other brokerage firms. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge and MFL will have an incentive to recommend a broker-dealer based on receiving research or services.

Directed Brokerage

If you choose to open an account with our recommended custodian, your trades will be executed through SEI and TIAA. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Brokerage for Client Referrals

MFL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Aggregating (Block) Trading for Multiple Client Accounts

MFL does not aggregate or bunch the securities to be purchased or sold for multiple Clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13 Review of Accounts

All of MFL's advisory services provided on an ongoing basis are reviewed at least annually. Reviews may be triggered by material market, economic or political events, or by changes in Client's financial situations (such as retirement, termination of employment, physical move, or inheritance). Each Client of MFL's will receive a quarterly statement from the custodian, detailing the Client's account, including assets held, asset value, and calculation of fees.

Item 14 Client Referrals and Compensation**Compensation for Client Referrals**

From time to time, MFL may compensate certain unaffiliated persons or entities for referrals or introductions to MFL or placements of interests in investment management services, in compliance with applicable law, including circumstances, in connection with discrete advisory transactions. MFL will pay or split a portion of the fees with an unaffiliated third-party for assisting in obtaining a specific Client. The material terms of such arrangements will be disclosed to relevant Clients or investors. The third-party Promoter will inform each account investor and any other Client that is the subject of such promoted services, that the third-party promoter will be compensated by the investor, the Client, or MFL, as the case may be. The name of the third-party providing the services will also be disclosed to each relevant account investor and any other Client that is the subject to such promoted services, along with the nature of any affiliation between the third-party and MFL. Third Party Client promoter arrangements will be conducted in accordance with Rule 206(4)-1 of the Advisers Act.

MFL has entered into written agreements with a third-party to promote the advisory services of The Pacific Financial Group ("PFG") through which MFL receives compensation from PFG for client referrals. The terms of these written arrangements are disclosed to the referred client and will be provided to the client at the time of referral, in compliance with Rule 206(4)-1 of the Advisers Act. Client is under no obligation to act upon any recommendations by MFL or any of its Representatives with respect to any investment product or service, and if the Client elects to act on any of the recommendations, the Client is under no obligation to affect the transactions through MFL.

The Adviser and its representatives may refer certain clients to invest in a high-yield federally insured cash account operated by Stone Castle Cash Management, LLC. The Adviser receives compensation for client's participation in this product, in the form of a fixed percentage of the yield associated with this product. Clients may receive a lower interest rate than others invested in the product as our fixed fee reduces the client's interest rate. We may have an incentive to recommend StoneCastle's product based on the compensation received rather than solely based on your needs.

A recommendation by the Adviser that a client participates in this product presents a conflict of interest, as the receipt of related compensation may provides an incentive to recommend the product based on such compensation, rather than on a particular client's need. The client is not under any obligation to purchase this, or any product(s) or services recommended by the Adviser or its representatives. Clients are reminded that they may purchase or select other potentially similar products or services recommended by the Adviser through parties from which the Adviser does not stand to receive any additional benefit or compensation.

Item 15 Custody

When the Firm's advisory fees are deducted directly from Client accounts and remitted to MFL by the Client's custodian, MFL will be deemed to have "custody" of Client's assets and must have written authorization from the Client for these arrangements. Clients will receive account holding and activity (including expense disbursement) statements directly from their custodian and should carefully review those statements for accuracy.

Private Investment Companies

We serve as investment adviser to a private pooled investment vehicle (the "Fund," whether one or more). The Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents.

Our affiliate serves in the capacity of manager to the Fund and will have access to the Fund's funds and investments, and therefore have custody over such funds and investments. We provide each investor in the Fund with unaudited annual financial statements. If you are a Fund investor and have questions regarding the financial statements or if you have not received a copy, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

MFL provides discretionary and non-discretionary investment advisory services to Clients. The advisory contract established with each Client sets forth the discretionary authority for trading. Where investment discretion has been granted, MFL generally manages the Client's account and makes investment decisions without consultation with the Client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17 Voting Client Securities (Proxy Voting)

MFL will not ask for, nor accept voting authority for Client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18 Financial Information

We do not require prepayment of more than \$1,200 in fees six or more months in advance. We have not filed a bankruptcy petition at any time in the past ten years.